

Meeting note—IFRS® Taxonomy Consultative Group

The IFRS Taxonomy Consultative Group (ITCG) held a conference call on 20 February 2019.

This note summarises that conference call. Related papers and a recording of the call are available on the [meeting page](#).

ITCG members discussed:

- the comment letter analysis for the IFRS Taxonomy 2018—Proposed Update 2 *General Improvements*; and
- a follow-up issue relating to the comment letter analysis for the IFRS Taxonomy 2018—Proposed Update 1 *Common Practice* (IFRS 13 *Fair Value Measurement*).

Proposed IFRS Taxonomy Update 2—General Improvements—analysis of comments received

1. The staff discussed the following proposals that respondents did not fully agree with or had additional suggestions about:
 - a) improving data quality (paragraphs 2–16);
 - b) making the IFRS Taxonomy easier to navigate (paragraphs 17–19);
 - c) general comments on topics not included in the proposed update (paragraph 20).

Improving data quality

Adding implementation notes to clarify which sign to use within an XBRL filing

2. One respondent to the proposed update strongly supported the use of implementation notes in the IFRS Taxonomy. However, that respondent provided two sets of comments on this proposal. They suggested:
 - a) an alternative approach to address the incorrect use of signs; and
 - b) amendments to the wording used in the proposed notes.
3. The staff noted that the feedback in paragraph 2(a) relates to a change in the approach to modelling IFRS Taxonomy elements which falls outside the scope of the proposed update. As a result, the staff recommended no specific changes to address that feedback at this time. No ITCG members expressed disagreement.
4. In regard to the feedback in paragraph 2(b), the staff recommended changing the proposed implementation note to include all the members that could cause a sign reversal. No ITCG members expressed disagreement with changing the proposal to include all members.
5. One ITCG member asked the staff whether they have considered using XBRL reference constructs as the technical solution for implementation notes. The staff replied that they had considered using XBRL reference constructs but rejected that approach because it did not allow translation of the implementation notes.

Assigning balance attributes

6. One respondent to the proposed update disagreed with the proposal to assign a balance attribute to some of the IFRS Taxonomy elements because values tagged using those elements are not recognised in the primary financial statements. However, the staff

recommended retaining the proposal because it would help clarify which sign to use within an XBRL filing. No ITCG members expressed disagreement with retaining the proposal.

7. One of the ITCG members said that the IFRS Taxonomy element 'Depreciation, property, plant and equipment' is commonly disclosed as both an expense (debit) and a change in a reconciliation (credit) within financial statements. Therefore, the member suggested that two separate elements—debit and credit—should be created for 'Depreciation, property, plant and equipment'. The staff replied that this would constitute a change to the IFRS Taxonomy modelling applied and is outside the scope of the proposed update.
8. Another ITCG member asked whether the staff is planning additional education for preparers on the use of positive and negative signs. The staff answered that the [Using the IFRS Taxonomy – a preparer's guide](#) provides guidance (including examples) on this topic. Additionally, the staff said that the IFRS Taxonomy formula linkbase includes rules to validate the correct use of signs and encouraged filers to use them in order to avoid errors.

Improving the IFRS Taxonomy elements for tagging time periods—introducing the 'duration' element type

9. One respondent to the proposed update suggested that using the 'decimal' element type for the element 'Actuarial assumption of retirement age' would be more appropriate than using the 'duration' element type. This element represents the point in time when cash outflows to an employee start and not a period of time.
10. One ITCG member supported the view that using the 'decimal' element type is more suitable for the element than using the 'duration' element type. However, the staff recommended retaining the proposal to use the 'duration' element type to achieve better consistency in the units reported.
11. Other ITCG members expressed no disagreement with retaining the proposal to introduce the 'duration' element type.

Improving the IFRS Taxonomy elements for tagging useful lives and depreciation or amortisation rates

12. One respondent to the proposed update said that they were not convinced of the proposal because most entities use ranges to express rates or lives. Moreover, they said that the 'decimal' element is unlikely to be useful because it would require contextual information about the type of units. However, the staff recommended retaining the proposal because the IFRS Taxonomy has a range axis that can be used to tag values representing a range and, as mentioned in the proposed update, the 'decimal' element type allows preparers to choose the most appropriate unit.
13. In addition, the respondent suggested that the variation in practice for tagging useful lives and depreciation or amortisation rates is a consequence of non-specific disclosure requirements in IAS 16, and as a result, the Board should change the requirements. The staff commented that it is outside the scope of the IFRS Taxonomy to make amendments to IFRS Standards.
14. No ITCG members expressed disagreement with retaining the proposal to create new elements for tagging useful lives and depreciation or amortisation rate.

Separate IFRS Taxonomy elements for tagging contingent consideration and indemnification assets in business combinations

15. One respondent to the proposed update suggested amending the *element label* to 'Contingent consideration in business combination' instead of the proposed label, 'Contingent consideration recognised as of acquisition date'. The staff disagreed because the suggested wording could risk a preparer inadvertently using this element to tag the aggregate contingent consideration recognised in the statement of financial position instead of that which was

recognised as of the acquisition date. The staff however recommended some editorial changes to the *documentation label* to clarify the intended meaning of the element.

16. No ITCG members expressed disagreement with retaining the proposal to split the existing line item 'Contingent consideration arrangements and indemnification assets recognised as of acquisition date' or with the editorial change to the *documentation label*.

Making the IFRS Taxonomy easier to navigate

New presentation group for all axes and members

17. One respondent to the proposed update suggested it is unnecessary to create a separate presentation group because the benefits do not seem significant. However, the staff recommended retaining the proposal to create a separate presentation group arguing that it makes it easier for preparers to find an IFRS Taxonomy axis. No ITCG members expressed disagreement with retaining the proposal.

Removing entry points without documentation labels

18. One respondent to the proposed update disagreed with this proposal because it forces jurisdictions that do not want to use documentation labels to use them. However, the staff recommended retaining the proposal, explaining that regulators can customise the IFRS Taxonomy for local use. The staff also emphasised the importance of documentation labels for understanding the accounting meaning of elements.
19. No ITCG members expressed disagreement with retaining the proposal to remove entry points without documentation labels. However, one of the ITCG members said that less customisation from regulators is best to prevent diversity in practice.

Other feedback

20. The staff presented general comments on topics not included in the Proposed IFRS Taxonomy Update. The ITCG members offered no comments on this section.

Proposed IFRS Taxonomy Update—Common Practice (IFRS 13): amendment to analysis of comments received

Sensitivity of fair value measurement to changes in unobservable inputs

Adding new line items and deprecating existing line items for the change in fair value to distinguish between an increase and a decrease in inputs

21. This proposal would add separate line items for a sensitivity analysis in which one input is changed at a time and sensitivity analyses in which multiple inputs are changed simultaneously. One respondent to the proposed update did not fully agree with this proposal. The respondent suggested that:
 - a. reporting a single change in fair value due to changes in *multiple inputs* may be inconsistent with IFRS 13, especially when variables are independent; and
 - b. the proposed modelling for single inputs is inconsistent with that for multiple inputs.
22. In regard to the feedback in paragraph 21(a), the staff recommended retaining the proposal in the proposed update. This is because it reflects common reporting practice and IFRS 13 does not prohibit disclosure of the effect on the fair value of a change in multiple unobservable inputs.

23. In regard to the feedback in paragraph 21(b), the staff recommended retaining the proposed modelling because it reflects the different reporting practices observed. However, the staff recommended grouping elements relating to *single inputs* and *multiple inputs* under separate presentation headings (abstracts) to further highlight the content differences.
24. No ITCG members expressed disagreement with retaining the proposals and grouping elements relating to *single* and *multiple* inputs under separate presentation headings.